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Special:

**TO: ALL CalPERS EMPLOYERS**

**SUBJECT: REPORTING OF UNIFORM ALLOWANCE**

Recent technology changes in the manufacture of new protective fabrics and the use of these fabrics in uniforms required clarification to our regulations regarding the reporting of uniform allowance.

As you may know, regulations require the reporting of allowances for the purchase, rental and/or maintenance of uniforms (or the value of such items) provided to employees. Excluded from this reporting are items that are provided for the personal health and safety of employees and items that are not a ready substitute for personal attire that the employee would otherwise have to purchase. With the development of these new protective fabrics, confusion was increasing as to whether uniforms made from these new fabrics continued to be a reportable uniform allowance item or were now a safety item and, therefore, not reportable as compensation to CalPERS.

To bring clarity to this situation, the CalPERS Board of Administration authorized an amendment to Section 571, subsection (a)(5) in Title 2 of the California Code of Regulations expanding the definition of uniform allowance. Effective June 21, 2002, the new definition of Uniform Allowance contained in this Section 571 is as follows (amended language is bolded):

Uniform Allowance – Compensation paid or the monetary value for the purchase, rental and/or maintenance of required clothing, **including clothing made from specially designed protective fabrics**, which is a ready substitute for personal attire the employee would otherwise have to acquire and maintain. This excludes items that are **solely** for personal health and safety such as protective vests, pistols, bullets, and safety shoes.

Therefore, effective June 21, 2002, uniforms made with protective fabrics are included in the definition of Uniform Allowance as reportable special compensation. If you have any questions please call the Compensation Review Unit at (916) 326-3837 or write to: Actuarial & Employer Services Division, P. O. Box 942709, Sacramento, CA 94229-2709.

Kenneth W. Marzion, Chief  
Actuarial and Employer Services Division